

House Standing Committee on Commerce - Public Testimony
Presented by Rochelle A. Black, Chair
Automation Alley's Government Affairs Committee

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Mr. Chairman and members of the Committee, it is a pleasure to speak with you on the timely matter of spurring growth in Michigan's economy. Many of you know me through my work as Director of Government Relations at Oakland University. I am here this morning in my capacity as Chair of Automation Alley's Government Affairs Committee. This group of benefactors from business, education and government includes Oakland University as well as some of the largest corporations in the world.

Automation Alley has been working since 1999 to drive the growth and image of Southeast Michigan's technology economy through its business and workforce development initiatives and a collaborative entrepreneurial culture. Founded through the vision of L. Brooks Patterson, the Automation Alley Member Consortium has grown to encompass eight counties and the City of Detroit and boasts over 540 members. As a region, Southeast Michigan now has approximately 19,000 technology companies and 500,000 technology workers from various industries.

Automation Alley's membership reflects this diversity: nearly one-third of its membership comes from the Information Technology sector, fifteen percent from Advanced Manufacturing, and eight percent from Advanced Automotive. Its chief economic development arm is the Automation Alley Technology Center, which brings together business, educators and government to help entrepreneurs accelerate the commercialization of new technologies and services. The Technology Center is a SmartZone business accelerator, and serves clients from throughout Southeast Michigan.

Automation Alley wants to applaud the Committee for bringing these important issues to the forefront of the policy debate in Lansing. While details remain to be defined through discussions between both branches of the Legislature and with the Governor, Automation Alley is encouraged by the renewed and increased focus on technology commercialization and the opportunity to better leverage the wealth of research discovery in the State of Michigan to create new jobs and businesses. Below are several key considerations that should be addressed as the Legislature moves forward to a program which can generate bipartisan support and successfully achieve the state's economic development objectives:

- The focus needs to be on the opportunity to leverage research to most effectively create innovation, such as the commercialization of research. This is the most certain path toward new jobs, businesses and industries.

- Decisions in this area need to continue to be made in partnership with knowledgeable scientific and engineering peer-reviewers, as AAS has done for the Technology Tri-Corridor program.
- Automation Alley advocates one step further: leverage the SmartZone business accelerators to assist with the commercialization of new technologies through these initiatives. In our opinion, adequate funding of these zones, located across the state, is one cost-effective way to quickly jump-start Michigan's economy and create jobs.
- Automation Alley advocates that a sizable percentage of the investment needs to directly support advanced development, commercialization infrastructure, and in some cases, provide seed capital to transition a technology from a lab to commercial implementation.
- Decisions in this area should engage the venture capital and business communities for review since they are strategic partners in identifying market opportunities and will be the source of future growth capital needed to create successful businesses.
- Automation Alley is the State's largest technology consortium and should be represented on any board managing Michigan's key economic development programs since it represents over five-hundred technology-focused businesses and is focused on growing and diversifying our State's economy.
- Funding should be broadly based to include technologies, such as: Alternative Energy, Advanced Manufacturing and Materials, Homeland Security and Defense, Information Technology, and Electric Device technologies, particularly as related to MEMS and nanotechnology. This breadth allows recognition of and participation by the full spectrum of world-class research ongoing at the state's universities, federal and corporate laboratories.
- Oakland University's proposed School of Engineering undergraduate teaching and automotive research facility is just one example of the many possibilities once doors are open to support cutting-edge and emerging technology by removing barriers and expanding the state's economic development focus.
- Michigan's economic diversity is one of the State's key strengths, and growing new businesses across the full array of research excellence also provides an opportunity to attract related businesses from other parts of the country and world. Our decision in this area should be driven by market opportunity rather than a singularly focused approach, no matter how attractive.

I have the pleasure of being accompanied at this hearing by General Donald F. Schenk and Jonathan B. Smith. They are here today to share their perspective on how Michigan may better capitalize on opportunities in Homeland Defense and Security.

Hopefully our collective testimonies will clearly demonstrate that Automation Alley and its diverse membership organizations are prepared to help the state of Michigan meet the challenges of the 21st Century. We again thank you and commend your committee along with your fellow colleagues to continue the dialogue in developing economic development proposals that allow for investments in R&D and commercialization of technology.

I will now defer to my colleagues for self-introductions, starting with the General, and finishing with Mr. Smith and then answer any questions committee members may have. On behalf of Automation Alley, we thank you very much for this opportunity.